

There are numerous risks involved with starting your own business. A costly one can be dealing with hazardous waste contamination discovered on property you have recently acquired. Performing an environmental site assessment prior to acquiring a property can minimize that risk.

Be an Informed Consumer

Some people take a used car to a mechanic before they buy. Most people hire a building inspector to check out a house they wish to purchase. You should do the same when considering a commercial or industrial property purchase. To that end, **Phase I and Phase II Environmental Site Assessments (ESAs)** have been developed to evaluate environmental issues at any site previously used for commercial purposes.

Standards for the Phase I and Phase II ESAs have been established by the American Society for Testing and Materials (ASTM) to address the "All-Appropriate-Inquiry" aspect to the Comprehensive Environmental Response, Compensation and Liability Act (CERCLA). CERCLA contains national policy and procedures for containing or removing hazardous substances that have been released, and also provides funding and guidance for cleaning up some abandoned and contaminated hazardous waste sites. Be aware of state or local regulations or federal regulations outside of CERCLA that have other site assessment requirements.

What is a Phase I ESA?

The Phase I ESA involves a review of records, a site visit, and interviews with owners, occupants and local government officials. While sampling and laboratory analysis are not included in this phase, they should still be conducted by an environmental professional trained in the

appropriate standards. The review of government records and interviews may take a lot of time. To ensure a quality assessment, allow sufficient time for the process.

Contamination can result from activities that took place on the site. The source may also be activities at a nearby property. The records and interviews will be the best source to provide this information. Public records are available regarding the location of properties that have been classified as contaminated by federal or state regulations. Depending on their proximity to your site, contamination could have made its way to your site.

What is a Phase II ESA?

If a Phase I ESA identifies potential contamination of the site by hazardous materials, a Phase II ESA is conducted. The Phase II ESA will include sampling and laboratory analysis to confirm the presence of hazardous materials and determine the extent of the contamination. Some of the tests that may be performed include:

- ◆ superficial soil and water samples
- ◆ subsurface soil borings
- ◆ groundwater monitoring well installation, sampling, and analysis (may be appropriate on neighboring properties as well to determine full extent of contamination)
- ◆ drum sampling (if any were left on the property)

- ◆ sampling of dry wells, floor drains and catch basins
- ◆ transformer/capacitor sampling for PCBs
- ◆ geophysical testing for buried tanks and drums
- ◆ testing of underground storage tanks

Depending on the results of the samples, the Phase II ESA should outline the remedial actions required to clean up the property.

How are ESAs Performed?

Each Phase I or II ESA should be performed by a trained and experienced environmental professional. The environmental professional should follow the ASTM Standards shown below. This professional may be aware of other state or local regulations or federal regulations outside of CERCLA that have other site assessment requirements also.

<u>ESA</u>	<u>ASTM Standards</u>	<u>Other Requirements</u>
Phase I	E 1527-05, E1528-00	AAI in 40 CFR 312; ISO 14015
Phase II	E 1903	

You can find environmental professionals listed in your Yellow Pages under Engineers—with possible subheadings of Consulting, Environmental, Geotechnical, or others—that may advertise that they can perform ESAs. Be sure to ask for and check references for any firm you consider hiring.

Hiring a firm with insufficient experience or training can only compound your risk if it fails to

provide you with accurate data. Contact the Small Business Clean Air Assistance Program (SBCAAP) for an additional checklist of questions to ask any firm you consider hiring.

How to Use the ESA Results

You know if your site is contaminated. What should be done to clean it up? Use the information resulting from your Phase I and II ESAs in your purchase agreement. Possible options might be:

- ① require that the current landowner clean up the property prior to the sale
- ② reduce the cost of the property commensurate with the cost of remediation required

Keep in mind the question “How clean is clean?” when working out the details. You, not the seller, should establish the cleanup standards. An experienced environmental professional performing the ESAs can help you by proposing the most up-to-date remedial methods and reasonable cost estimates. All details about who pays for cleanup costs and criteria for “how clean is clean” should all be included in your final contract with the seller.

Clean Up Costs

Grant funds for cleanup may be available through a state or federal Brownfield grants program. Go to <http://commerce.wi.gov/CD/CD-bfi.html> or call 608-261-7714 for details.



Contacts for More Information or Assistance

The Small Business Clean Air Assistance Program helps smaller businesses understand and comply with the Clean Air Act regulations. Contact the program's Clean Air Specialists for more assistance: Renée Lesjak Bashel at 608-264-6153, Tom Coogan at 608-267-9214, or Jean Beckwith at 608-261-2517.



For further information on hiring an environmental engineering firm, you can go directly to our website at <http://commerce.wi.gov/BDdocs/BD-CA-HireConsultant.pdf>.